



RECEIVED

PATRICK H. LYONS  
COMMISSIONER

State of New Mexico  
Commissioner of Public Lands

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

2010 FEB 1 PM 2 03

COMMISSIONER'S OFFICE

Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

January 25, 2010

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210-2118

Attn: Mr. Robert Bullock

Re: Final Approval  
Caravan State Unit  
Lea County, New Mexico

Dear Mr. Bullock:

This office is in receipt of your letter of December 21, 2009, wherein you have requested final approval to the Caravan State Unit Agreement, Lea County, New Mexico.

Please be advised that the Commissioner of Public Lands has this date granted final approval to the Caravan State Unit Agreement, Lea County, New Mexico. Our approval is subject to like approval by the New Mexico Oil Conservation Division. It is our understanding that all tracts are committed to the unit at this time.

Enclosed are (5) Certificates of Approval.

Your \$90.00 filing fee has been received.

Please notify this office when the initial well has been spudded. In addition, please also submit continuous daily drilling reports until the initial well is completed.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
PL/JB/pm

pc:

Reader File,

OCD-Santa Fe, Attn: Mr. Ed Martin

TRD-Attn: Mr. Valdean Severson

RMD-Attn: Mr. Kurt McFall

-State Land Office Beneficiaries-

Carrie Tingley Hospital • Charitable Penal & Reform • Common Schools • Eastern NM University • Rio Grande Improvement • Miners' Hospital of NM • NM Boys School • NM Highlands University • NM Institute of Mining & Technology • New Mexico Military Institute • NM School for the Deaf • NM School for the Visually Handicapped • NM State Hospital • New Mexico State University • Northern NM Community College • Penitentiary of New Mexico • Public Buildings at Capital • State Park Commission • University of New Mexico • UNM Saline Lands • Water Reservoirs • Western New Mexico University



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2010 NOV 22 10:23 AM  
COMMISSIONER'S OFFICE

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November 8, 2010

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210-2118

Attn: Mr. Kevin Klein

Re: Commercial Well Determination  
Caravan State Unit Well No. 1  
API # 30-025-39609  
NW/4NE/4 32-24S-33E  
Eddy County, New Mexico

Dear Mr. Klein:

We are in receipt of your correspondence of November 4, 2010, wherein Yates Petroleum Corporation has submitted data that supports your commercial determination regarding the following Caravan State Unit Well:

Well Name and Number	Location	Completion Date	Formation	Determination
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Caravan State Unit Well #1	NW/4NE/4 Sec. 32-24S-33E	5/17/10	Wolfcamp	Commercial
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Please be advised that, according to the data submitted, the Commissioner of Public Lands concurs with your determination that the Caravan State Unit Well No. 1 is a commercial well in the Wolfcamp formation.

Please submit your 2011 unit plan of development.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
PL/JB/pm

pc: Reader File,  
OCD-Attn.: Mr. Ed Martin  
TRD-Attn.: Mr. Valdean Severson  
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December 1, 2009

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Attention: Mr. Robert Bullock

Re: Preliminary Approval  
Proposed Caravan State Exploratory Unit  
Lea County, New Mexico

Dear Mr. Bullock:

This office has received the unexecuted copy of the unit agreement, which you have submitted for the proposed Caravan State Exploratory Unit area, Lea County, New Mexico. This agreement meets the general requirements of the Commissioner of Public Lands, who has this date granted you preliminary approval as to form and content.

Preliminary approval shall not be construed to mean final approval of this agreement in any way and will not extend any short-term leases, until final approval and an effective date have been given.

When submitting your agreement for final approval, please submit the following:

1. Application for final approval by the Commissioner setting forth the tracts that have been committed and the tracts that have not been committed.
2. Pursuant to Rule 19.2.100.51, applications for approval shall contain a statement of facts showing:
  - a. That such agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy.
  - b. That under the proposed unit operation, the State of New Mexico will receive its fair share of the recoverable oil and gas in place under its lands in the proposed unit area.
  - c. That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the unit area.
  - d. That such unit agreement is in other respects for the best interest of the trust.
3. All ratifications from the Lessees of Record and Working Interest Owners. All signatures should be acknowledged by a notary and one set must contain original signatures.
4. Order of the New Mexico Oil Conservation Division. Our approval will be conditioned upon subsequent favorable approval by the New Mexico Oil Conservation Division.

-State Land Office Beneficiaries -

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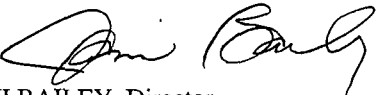
5. Please submit two copies of the Unit Agreement.
6. A copy of the Unit Operating Agreement (if applicable).
7. Copies of all the well records for the initial unit well.
8. Your filing fee in the amount of \$90.00 has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS  
COMMISSIONER OF PUBLIC LANDS

BY:

  
JAMI BAILEY, Director  
Oil, Gas & Minerals Division  
(505) 827-5744

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cc: OCD-Santa Fe, Attention: Mr. Ed Martin